



STATE OF IDAHO  
DEPARTMENT OF INSURANCE  
207 STATE HOUSE  
BOISE 83707

BULLETIN NO. 69 - 4

SUBJECT: CREDIT LIFE AND CREDIT DISABILITY INSURANCE

Regulation No. 19 relating to Credit Life and Disability Insurance was adopted July 17, 1969 and has an effective date of October 1, 1969. Since the adoption of the Regulation, the Department has been made aware of various questions which have arisen with regard to the Regulation. This bulletin is to answer those questions.

Resubmission of Forms and Rates

The Department calls to your attention Section 15 of Regulation No. 19, which requires that all Credit Life and Credit Disability forms and premium rates must be resubmitted and approved before October 1, 1969. Any forms or rates used after that date which have not been approved as complying with Regulation No. 19 will cause the company to be in violation of the Idaho Code.

Forms submitted but not yet approved by the Department will not be considered as having complied with the Regulation. Submissions for approval will be considered in a date received order. To facilitate procedure, please attach this Department's Regulation No. 9 to all submissions.

Prima Facie Acceptable Credit Life Rates.

Single premium rates for Credit Life repayable in monthly installments other than twelve (12) in number will be calculated at 1/12th of the annual premium rate multiplied by the number of full months in the scheduled repayment period. The premium for one year is not to be considered as the minimum premium for periods of less than one year. There is no minimum premium for dollar amounts of indebtedness of less than one hundred dollars (\$100). The premium will be calculated by multiplying the rate by the exact dollar amount of indebtedness.

Examples

<u>Months Payable</u>		<u>Rate Per Mo.</u>		<u>Amount Indebtedness</u>		<u>Credit Life Premium</u>
11	x	\$ .05	x	\$ 90.00	=	\$ .50
15	x	\$ .05	x	\$ 160.00	=	\$ 1.20

### Prima Facie Acceptable Credit Disability Rates.

In compliance with recent requests we are attaching hereto a schedule of disability premium rates for all months beginning with six or less through sixty months on a fourteen and thirty day retroactive and non-retroactive basis. It is expected that companies issuing credit disability insurance will furnish to all their agents writing such insurance this schedule of rates. If benefits are on a basis different than this illustration, it is the company's responsibility to supply their agents with a rate schedule actuarially consistent with the basic rates.

### Transferring of Accounts Between Insurers.

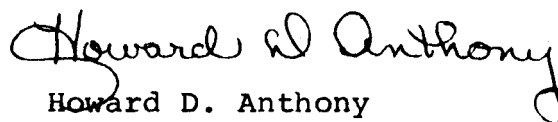
If the premium rate for a particular account is, as a consequence of Section 8 c. of Regulation 19, required to be reduced, the reduction shall continue, whether the account remains with the carrier or is transferred to another carrier, until a showing is made to and accepted by the Commissioner that the reduction is no longer appropriate.

### Definition of "class of accounts".

The term, class of accounts, as used in Section 8 c. of Regulation 19, refers to the classification for reporting experience required by the NAIC Classification Experience Exhibit adopted at the December 1966 NAIC meeting.

If your company writes or plans to write Credit Life and/or Credit Disability Insurance, please acknowledge receipt of this bulletin and the attached rate sheet.

FOR THE COMMISSIONER OF INSURANCE

  
Howard D. Anthony  
Chief Deputy Commissioner

August 22, 1969

Attachment

PRIMA FACIE ACCEPTABLE CREDIT DISABILITY RATES

No. Months Indebtedness is Repayable	Non-Retroactive Benefits		Retroactive Benefits	
	14 Day	30 Day	14 Day	30 Day
6 or less	\$ 1.00	\$ .40	\$ 1.80	\$ 1.30
7	1.07	.47	1.87	1.37
8	1.13	.53	1.93	1.43
9	1.20	.60	2.00	1.50
10	1.27	.67	2.07	1.57
11	1.33	.73	2.13	1.63
12	1.40	.80	2.20	1.70
13	1.47	.87	2.27	1.77
14	1.53	.93	2.33	1.83
15	1.60	1.00	2.40	1.90
16	1.67	1.07	2.47	1.97
17	1.73	1.13	2.53	2.03
18	1.80	1.20	2.60	2.10
19	1.87	1.27	2.67	2.17
20	1.93	1.33	2.73	2.23
21	2.00	1.40	2.80	2.30
22	2.07	1.47	2.87	2.37
23	2.13	1.53	2.93	2.43
24	2.20	1.60	3.00	2.50
25	2.27	1.67	3.07	2.57
26	2.33	1.73	3.13	2.63
27	2.40	1.80	3.20	2.70
28	2.47	1.87	3.27	2.77
29	2.53	1.93	3.33	2.83
30	2.60	2.00	3.40	2.90
31	2.67	2.07	3.47	2.97
32	2.73	2.13	3.53	3.03
33	2.80	2.20	3.60	3.10
34	2.87	2.27	3.67	3.17
35	2.93	2.33	3.73	3.23
36	3.00	2.40	3.80	3.30
37	3.04	2.44	3.84	3.34
38	3.08	2.48	3.88	3.38
39	3.12	2.52	3.92	3.42
40	3.17	2.57	3.97	3.47
41	3.21	2.61	4.01	3.51
42	3.25	2.65	4.05	3.55
43	3.29	2.69	4.09	3.59
44	3.33	2.73	4.13	3.63
45	3.37	2.77	4.17	3.67
46	3.42	2.82	4.22	3.72
47	3.46	2.86	4.26	3.76
48	3.50	2.90	4.30	3.80

Prima Facie Acceptable Credit Disability Rates  
Continued

No. Months Indebtedness is Repayable	Non-Retroactive Benefits		Retroactive Benefits	
	<u>14 Day</u>	<u>30 Day</u>	<u>14 Day</u>	<u>30 Day</u>
49	\$ 3.53	\$ 2.93	\$ 4.33	\$ 3.83
50	3.57	2.97	4.37	3.87
51	3.60	3.00	4.40	3.90
52	3.63	3.03	4.43	3.93
53	3.67	3.07	4.47	3.97
54	3.70	3.10	4.50	4.00
55	3.73	3.13	4.53	4.03
56	3.77	3.17	4.57	4.07
57	3.80	3.20	4.60	4.10
58	3.83	3.23	4.63	4.13
59	3.87	3.27	4.67	4.17
60	3.90	3.30	4.70	4.20